



**CALIFORNIA STATE  
PUBLIC WORKS BOARD**

EDMUND G. BROWN JR. • GOVERNOR

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## **AGENDA WITH ANALYSIS**

**NOTICE OF MEETING  
STATE PUBLIC WORKS BOARD  
Friday, August 10, 2012**

The **STATE PUBLIC WORKS BOARD** will meet on  
**Friday, August 10, 2012 at 10:00 a.m. in Room 113,  
State Capitol, Sacramento, California.**

In accordance with provisions of section 11125 of the  
Government Code, a copy of the Agenda is attached.

Greg Rogers  
Administrative Secretary

Attachment

**STATE PUBLIC WORKS BOARD**

**Friday**  
**August 10, 2012**  
**10:00 a.m.**  
**Room 113**

State Capitol  
Sacramento, California

<b>I.</b>	Roll Call		
<b>II.</b>	Approval of minutes from the July 16, 2012 meeting		
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## CONSENT ITEMS

### CONSENT ITEM—1

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)  
FOREST LEGACY PROGRAM CONSERVATION EASEMENT  
CHALK MOUNTAIN PHASE 2  
HUMBOLDT COUNTY

*Authority: Chapters 21 and 29, Statutes of 2012, Item 3540-001-0890*

**Consider authorizing acquisition of a conservation easement**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection  
Forest Legacy Program Conservation Easement  
Chalk Mountain Ranch Phase 2  
Humboldt County

#### Action Requested

**If approved, the requested action would authorize acquisition of a conservation easement.**

#### Scope Description

**This project is within scope.** This request will authorize acquisition of a “working forest” conservation easement on approximately 4,024 acres in Chalk Mountain Ranch and Tree Farm in Humboldt County. The proposed project represents Phase II of the Chalk Mountain conservation easement project. Phase I was approved by the Wildlife Conservation Board (WCB) on November 17, 2009, to acquire a conservation easement over the northern 3,268 acres of the Chalk Mountain property using Forest Legacy Program (FLP) funds. The 4,024 acres proposed in Phase II represent the remaining southern portion of the Chalk Mountain property. The combined acreage will result in 7,292 acres of working forest lands protected under a conservation easement. The Chalk Mountain property is one of the original tracts identified in the Six Rivers to the Sea, FLP Initiative, which, combined with nearby National Forest, Bureau of Land Management, State Parks and other protected properties contributes towards a protected corridor from the Six Rivers National Forest to the Pacific Ocean.

The property includes forestland, rangeland and riparian corridors that offer significant forest, watershed, view-shed, open space and other fish and wildlife habitat resources, cultural heritage, and social and economic agricultural contributions. The proposed conservation easement would allow the continued traditional use of commercial forestry, ranching, and livestock grazing, while preventing increasing rural residential development and other conversions which permanently remove forestland from productivity.

Acquisition of this conservation easement is in accordance with the Federal Cooperative Forestry Assistance Act of 1990, the California Forest Legacy Program (FLP), 1995 Assessment of Need (AON), the 2000 Amendment to the AON, and the FLP procedures Title 14 CCR Sections 1570-1576 and will protect forest land, important scenic, fish, wildlife, riparian areas and other ecological values.

#### Funding and Cost Verification

**This project is within cost.** Chapters 21 and 29, Statutes of 2012, Item 3540-001-0890 provides federal funding in the amount of \$1,600,000 for the acquisition of FLP conservation easements. The Department of General Services (DGS) has approved an appraisal value of \$4,000,000 for this property. The landowner is offering the land for a total of \$3,600,000. The difference between the appraised value and the sales price of \$3,600,000 will be used to fulfill the federal matching requirement for the FLP program. At its duly scheduled meeting on May 31, 2012, the Wildlife Conservation Board approved \$2,000,000 toward acquisition of this easement in the form of a grant through the WCB from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Section 75055(a), with the remaining amount to be funded by the federal FLP grant.

\$ 3,600,000 total authorized costs

\$ 3,600,000 total estimated costs

\$ 2,000,000 previously allocated Wildlife Conservation Board grant

\$ 1,600,000 project costs to be allocated; federal funds

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 2, 2012, and the 35-day statutes of limitation expired on March 8, 2012, without challenge.

#### NEPA

The National Environmental Policy Act (NEPA) applies to actions of, or funded by, the Federal government. A Programmatic Environmental Assessment and a Finding of No Significant Impact was completed and signed by the Chief of the Forest Service for the national Forest Legacy Program. No further NEPA actions are required.

#### Condition of Property

On January 16, 2012, DGS staff visited the Chalk Mountain Ranch property for the second conservation easement, which is located about three miles south of the junction of State Highway 36 and Alderpoint Road in Bridgeville, Humboldt County.

The vegetation types on the property include low land grass prairies and hardwood stands, to moderate sloped Douglas–Fir forest, to upper sloped mixed conifer stands. The timber stands within the property are composed primarily of Douglas-fir conifers. The conifers are mixed with variable amounts of black oak, Oregon white oak, tanoak, madrone, California buckeye and California bay laurel hardwoods.

The landowner recognizes the desirability of continuing the traditional uses of the property for productive forestry, livestock grazing, recreation, and fish and wildlife habitat, and acknowledges that the grant of this easement is in support and furtherance of the sustainability of such uses in a manner consistent with the protection, in perpetuity, of the conservation values. An environmental site assessment was not prepared for this property because it is not required. The conservation easement will require the landowner to retain all responsibility for compliance with environmental laws, rules, and regulations.

#### Project Schedule

The anticipated close of escrow is August 30, 2012.

#### Other:

- The purchase price shall not exceed the estimated market value as indicated in a DGS approved appraisal.
- This project is the second phase of two contiguous conservation easements, the combined acreage will result in 7,292  $\pm$  acres of working forested landscapes providing important wildlife habitat. Phase 1 is the northerly 3,268  $\pm$  acre portion of the Ranch, and Phase II represents the remaining southerly 4,024  $\pm$  acres.
- The conservation easement specifies that the easement holder shall have no responsibility for the operation of the real property. All responsibility and costs for management and maintenance of the real property will be retained by the landowner. The state will incur no additional operating costs from this acquisition.
- The conservation easement specifies that the easement holder shall have no responsibility for the environmental condition of the real property unless the environmental condition is caused by the easement holder's negligence or misconduct. The landowner retains all responsibility for compliance with environmental laws, rules, and regulations.
- The FLP requires annual monitoring which will be conducted in accordance with current monitoring plan guidelines established by the Wildlife Conservation Board, State Coastal Conservancy, Department of Forestry and Fire Protection, and the Department of Parks and Recreation. A Memorandum of Understanding between CAL FIRE and the Northcoast Regional Land Trust (NRLT) provides for NRLT to conduct the monitoring and annual reporting through endowment funding. CAL FIRE will perform monitoring attendance and inspections.
- There are no historic issues, relocation assistance, or implied dedication involved with this project.

**Staff Recommendation:     Authorize acquisition of a conservation easement.**

## CONSENT ITEMS

### CONSENT ITEM—2

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)  
FOREST LEGACY PROGRAM CONSERVATION EASEMENT  
CHARLES MOUNTAIN RANCH PHASE 2  
HUMBOLDT COUNTY

*Authority: Chapters 21 and 29, Statutes of 2012, Item 3540-001-0890*

**Consider authorizing acquisition of a conservation easement.**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection  
Forest Legacy Program Conservation Easement  
Charles Mountain Ranch Phase 2  
Humboldt County

#### Action Requested

**If approved, the requested action would authorize acquisition of a conservation easement.**

#### Scope Description

**This project is within scope.** This request will authorize acquisition of a “working forest” conservation easement on approximately 4,437 acres in Charles Mountain Ranch located in the southeastern region of Humboldt County, approximately eight miles southeast of the city of Bridgeville. The proposed project represents Phase II of the Charles Mountain easement project. Phase I was approved by the Wildlife Conservation Board (WCB) on February 24, 2011, via a grant to the Northcoast Regional Land Trust to acquire a 2,903 acres conservation easement comprised of the northernmost portion of the property. The 4,437 acres proposed in Phase II represents the majority of the remaining areas on the property, located adjacent to and south of Phase I. The combined acreage will result in 7,340 acres of protected land.

Acquisition of the easement includes an appurtenant road access over the owner’s ranch for purposes of monitoring the state’s conservation easement. The conservation easement property includes some of the largest intact stretches of privately-owned forestlands and oak woodlands in

Humboldt County. The proposed conservation easement would allow the continued traditional uses of commercial forestry, ranching, and livestock grazing, while preventing increasing rural residential development and other conversions which permanently remove forestland from productivity. Acquisition of this conservation easement is in accordance with the Federal Cooperative Forestry Assistance Act of 1990, the California Forest Legacy Program (FLP), 1995 Assessment of Need (AON), the 2000 Amendment to the AON, and the FLP procedures Title 14 CCR Sections 1570-1576 and will protect forest land, important scenic, fish, wildlife, riparian areas and other ecological values.

#### Funding and Cost Verification

**This project is within cost.** Chapters 21 and 29, Statutes of 2012, Item 3540-001-0890 provides federal funding in the amount of \$2,500,000 for the acquisition of FLP conservation easements. The Department of General Services (DGS) has approved an appraisal value of \$4,885,000 for this property. The landowner is offering the land for a total of \$3,700,000. The \$1,185,000 difference between the appraised value and the sales price will be used to fulfill the federal matching requirement for the FLP program. The Wildlife Conservation Board is contributing \$1,200,000 in the form of a grant through the Wildlife Conservation Board from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Section 75055(a), with the remaining amount to be funded by the federal FLP grant.

\$ 3,700,000 total authorized costs

\$ 3,700,000 total estimated costs

\$ 1,200,000 previously allocated Wildlife Conservation Board grant

\$ 2,500,000 project costs to be allocated

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 15, 2012. The 35-day statutes of limitation expired on March 21, 2012, without challenge.

#### NEPA

The National Environmental Policy Act (NEPA) applies to actions of, or funded by, the Federal government. A Programmatic Environmental Assessment and a Finding of No Significant Impact was completed and signed by the Chief of the Forest Service for the national Forest Legacy Program. No further NEPA actions are required.

#### Condition of Property

On January 16, 2012, staff of the DGS visited Charles Mountain Ranch property for the second conservation easement. The Charles Mountain Ranch Conservation Easement Property Phase 2 includes about 4,400 acres of land situated along Alderpoint Road about 14 miles southeast of Bridgeville, past the junction of State Highway 36 and Alderpoint Road in Humboldt County. The property is composed primarily of Douglas-fir conifers, with a minor amount of white fir, ponderosa pine and incense cedar conifers.

The landowner recognizes the desirability of continuing the traditional uses of the property for productive forestry, livestock grazing, recreation, and fish and wildlife habitat, and acknowledges that the grant of this easement is in support and furtherance of the sustainability of such uses in a manner consistent with the protection, in perpetuity, of the conservation values. An environmental site assessment was not prepared for this property because it is not required. The conservation easement will require the landowner to retain all responsibility for compliance with environmental laws, rules, and regulations.

### Project Schedule

The anticipated close of escrow is August 30, 2012.

### Other:

- The purchase price shall not exceed the estimated market value as indicated in a DGS approved appraisal.
- This project is the second phase in a 2-phase conservation easement project consisting of two contiguous conservation easements, Phase 1 being 2,903 acres in size, and acquired by a Land Trust, funded through a grant authorized by the Wildlife Conservation Board (WCB). The terms of both easement agreements require the property owner to maintain the properties encumbered by these two easements as one single, indivisible parcel, approximately 7,340 acres in size.
- The conservation easement specifies that the easement holder shall have no responsibility for the operation of the real property. All responsibility and costs for management and maintenance of the real property will be retained by the landowner. The state will incur no additional operating costs from this acquisition.
- The conservation easement specifies that the easement holder shall have no responsibility for the environmental condition of the real property unless the environmental condition is caused by the easement holder's negligence or misconduct. The landowner retains all responsibility for compliance with environmental laws, rules, and regulations.
- The Forest Legacy Program requires annual monitoring which will be conducted in accordance with current monitoring plan guidelines established by the Wildlife Conservation Board, State Coastal Conservancy, Department of Forestry and Fire Protection, and the Department of Parks and Recreation. A Memorandum of Understanding between CAL FIRE and the Northcoast Regional Land Trust (NRLT) provides for NRLT to conduct the monitoring and annual reporting. CAL FIRE will perform monitoring attendance and inspections. Funding for the monitoring program will be provided by a \$50,000.00 endowment (donation) by the landowner.
- There are no historic issues, relocation assistance, or implied dedication involved with this project.

**Staff Recommendation:     Authorize acquisition of a conservation easement.**



## CONSENT ITEMS

### CONSENT ITEM—3

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)  
THORN FOREST FIRE STATION  
ELECTRIC POLE LINE EASEMENT  
HUMBOLDT COUNTY

Consider consenting to an Agreement and Grant of Easement from the State to Pacific Gas and Electric Company that affects the real property encumbered by the Board's 2010 Series A lease revenue bonds that were issued to finance the Thorn Forest Fire Station.

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—3

Department of Forestry and Fire Protection  
Thorn Forest Fire Station  
Electric Pole Line Easement  
Humboldt County

#### Action Requested

**If approved, the action will consent to an Agreement and Grant of Easement for an electric pole line easement to Pacific Gas and Electric Company (PG&E).**

#### Background

An easement is being required by PG&E for an electric service connection to the new buildings at the Thorn Forest Fire Station. The new connection is necessary to provide electricity to the new building. The Thorn site is currently encumbered with a Site Lease and a Facility Lease associated with the Board's 2010 Series A lease revenue bonds. Section 8(b) of the Facility Lease between the Board and Cal Fire requires Board consent to any assignment, sublease or Transfer of interest in the Facility Lease.

### Agreement and Grant of Easement

The Department of General Services (DGS) has worked with PG&E in drafting the Agreement and Grant of Easement that provides an easement to PG&E. The 0.23 acre easement is to locate, relocate, construct, reconstruct, alter, use, maintain, inspect, and repair an electric pole line and associated appurtenances. The Agreement and Grant of Easement contains a provision for the State to relocate (at State cost) any of PG&E's improvements in the easement if, at some future date, the improvements are determined to interfere with State use of the property. The easement will automatically terminate if PG&E fails to use the easement for its intended use for a continuous period of 18 months. In the opinion of DGS, based on these factors, that this easement will not adversely affect the Board's interest in the Thorn Forest Fire Station.

**Staff Recommendation:**      **Consent to the Agreement and Grant of Easement for an electric pole line easement to Pacific Gas and Electric Company.**

## CONSENT ITEMS

### CONSENT ITEM—4

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
CALIFORNIA MEDICAL FACILITY  
EMERGENCY GENERATOR CAPACITY UPGRADE  
SOLANO COUNTY

*Authority: Sections 28 (a) of Chapter 7, Statutes of 2007*

**Consider establishing scope, cost, and schedule**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—4

Department of Corrections and Rehabilitation  
California Medical Facility  
Emergency Generator Capacity Upgrade  
Solano County

#### Action Requested

**If approved, the requested action would establish the project scope, cost and schedule.**

#### Scope Description

The California Medical Facility (CMF) Emergency Generator Capacity Upgrade project will upgrade the facility's emergency power generation system by installing three new 2-megawatt emergency generator sets with associated transfer switches and switchgear. Additionally, the scope of this project will include installing an above-ground fuel tank, a new building to house the switchgear, and an enclosed equipment yard. These upgrades will operate in conjunction with the existing 2-megawatt emergency generator set to supply emergency power needs to the institution during power outages.

Prior to June 2011, the existing electrical power supply to CMF was inadequate to support its operational needs. Consequently, the institution completed an electrical power supply upgrade in June 2011. This Emergency Generator Capacity Upgrade project will provide the necessary backup power required to support the previous electrical power supply upgrade at the facility.

Pursuant to the provisions of Section 7050(b) of the Penal Code, the Department of Corrections and Rehabilitation reported the scope, cost, and schedule information for this project to the Joint Legislative Budget Committee on July 5, 2012, concurrent with submission of its request to the Board to establish the scope, cost, and schedule.

#### Funding and Cost Verification

Section 28(a) of Chapter 7, Statutes of 2007 appropriates \$300 million General Fund for infrastructure, dental, and medication distribution facility improvements at prisons statewide. This action would allocate \$7,192,000 of the AB 900 General Fund to complete design and construction for this project. Taking this and other pending allocations into account, the remaining unallocated balance of this appropriation is approximately \$133,899,635 (44.6 percent).

\$7,192,000 total estimated project cost

\$7,192,000 project costs to be allocated: \$505,000 preliminary plans, \$566,000 working drawings, and \$6,121,000 construction (\$4,810,000 contract, \$337,000 contingency, \$430,000 A&E, \$503,000 other project costs, and \$41,000 agency retained items)

#### CEQA

Appropriate CEQA documentation will be complete prior to seeking approval of preliminary plans.

#### Real Estate Due Diligence

Real estate due diligence for this project is currently under review and will be complete prior to seeking approval of preliminary plans.

#### Project Schedule

Approve preliminary plans	September 2013
Complete working drawings	March 2014
Start construction	May 2014
Complete construction	April 2015

**Staff Recommendation:** Establish project scope, cost, and schedule.

## CONSENT ITEMS

### CONSENT ITEM—5

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
MULE CREEK STATE PRISON  
ELECTRICAL SYSTEM UPGRADE  
AMADOR COUNTY

*Authority: Sections 28 (a) of Chapter 7, Statutes of 2007*

**Consider establishing scope, cost, and schedule**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—5

Department of Corrections and Rehabilitation  
Mule Creek State Prison  
Electrical System Upgrade  
Amador County

#### Action Requested

**If approved, the requested action would establish the project scope, cost and schedule.**

#### Scope Description

This project will design and construct electrical system upgrades at Mule Creek State Prison (MCSP). This project is necessary to correct existing system deficiencies and provide a reliable electrical system for the institution. Upgrades include a new emergency generator system with two 2-megawatt generators and associated switchgear, and electrical equipment to connect existing and new distribution circuits. The emergency generation system will include weather tight enclosures, a main breaker, a transformer, and a fuel storage tank. Specific high voltage cabling will be replaced and the existing 3-megawatt co-generation plant will be deactivated and abandoned in place. Any hazardous materials will be removed.

The project will also include the construction of a new 60-kilovolt substation to allow for savings in acquiring electrical power from Pacific Gas and Electric. The new electrical substation will be located outside of the institution's secure perimeter.

Pursuant to the provisions of Section 7050(b) of the Penal Code, the Department of Corrections and Rehabilitation reported the scope, cost, and schedule information for this project to the Joint Legislative Budget Committee on July 5, 2012, concurrent with submission of its request to the Board to establish the scope, cost, and schedule.

#### Funding and Cost Verification

Section 28(a) of Chapter 7, Statutes of 2007 appropriates \$300 million General Fund for infrastructure, dental, and medication distribution facility improvements at prisons statewide. This action would allocate \$12,612,000 of the AB 900 General Fund to complete design and construction for the electrical system upgrades at MCSP. Taking this and other pending allocations into account, the remaining unallocated balance of this appropriation is approximately \$133,899,635 (44.6 percent).

\$ 12,612,000 total estimated project cost

\$ 12,612,000 project costs to be allocated: \$769,000 preliminary plans, \$839,000 working drawings, and \$11,004,000 construction (\$8,306,000 contract, \$581,000 contingency, \$735,000 A&E, \$1,213,000 other project costs, and \$169,000 agency retained items)

#### CEQA

Appropriate CEQA documentation will be complete prior to seeking approval of preliminary plans.

#### Real Estate Due Diligence

Real estate due diligence for this project is currently under review and will be complete prior to seeking approval of preliminary plans.

#### Project Schedule

Approve preliminary plans	August 2013
Complete working drawings	February 2014
Start construction	April 2014
Complete construction	March 2015

**Staff Recommendation:** Establish project scope, cost, and schedule.

## ACTION ITEMS

### ACTION ITEM—1

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
FRED C. NELLES YOUTH CORRECTIONAL FACILITY, CITY OF WHITTIER  
LOS ANGELES COUNTY  
Surplus Parcel Number SSL 628

*Authority: Chapter 925, Statutes of 2004 and Government Code Section 11011.1*

**Consider acknowledgement of the proposed amendment negotiated by the Department of General Services and Brookfield Homes related to the sale of the Fred C. Nelles Youth Correctional Facility (approximately 75 acres) and confirm the terms thereof do not alter the Board's Resolution dated June 10, 2011, in which approval of the sale conditioned on defeasance of a portion of the Board's outstanding 2000 Series B bonds.**

## ACTION ITEMS

### STAFF ANALYSIS ITEM—

Department of General Services  
Department of Corrections and Rehabilitation  
Fred C Nelles Youth Correctional Facility, City of Whittier  
Los Angeles County

#### Action Requested

**The requested action, if approved, would acknowledge the proposed amendment negotiated by the Department of General Services and Brookfield Homes related to the sale of the Fred C. Nelles Youth Correctional Facility (approximately 75 acres) and confirm the terms thereof do not alter the Board's Resolution dated June 10, 2011, in which approval of the sale conditioned on defeasance of a portion of the Board's outstanding 2000 Series B bonds.**

#### Background and Description of Action Requested

Pursuant to Government Code Section 11011.1 and as authorized by Chapter 925, Statutes of 2004, the Director of the Department of General Services (DGS) was authorized by the State Public Works Board (Board) to sell approximately 75 acres located at Fred C. Nelles Youth Correctional Facility in the City of Whittier (City), County of Los Angeles at its June 10, 2011

meeting conditioned upon the defeasance of outstanding lease revenue bonds prior to the close of escrow. On June 16, 2011, DGS and Brookfield Homes (Buyer) entered into a Purchase and Sale Agreement (PSA) regarding the Fred C. Nelles Youth Correctional Facility at a price of \$42.5 million.

Section 6.1 of the PSA, "Buyer Closing Conditions", provides that the Buyer shall obtain the above entitlements prior to closing escrow through actions to be taken by the City of Whittier Redevelopment Agency (RDA).

On December 29, 2011, the California Supreme Court issued its ruling in the action known as California Redevelopment Association v. Matosantos (53 Cal.4th 231, 2011), upholding Assembly Bill (AB) X1 26, that "froze" Redevelopment Agency activities and set up a process for the dissolution of redevelopment agencies in California. With the elimination of the RDA, it became impossibility for the RDA to perform the related actions prescribed in the PSA. The most significant impacts are the impossibility of the RDA approval of an owner participation agreement including terms and conditions for the tax increment financing and affordable housing set aside funds.

The Buyer requested a tolling of time for the period commencing February 1, 2012 through July 31, 2012. The Board was informed of the Tolling Agreement at the February 10, 2012 meeting, and DGS executed the agreement on February 16, 2012. The tolling agreement provided a period of six months to develop a plan to achieve the milestones under the Schedule of Performance, during which period, the Buyer engaged in negotiations with the City with the goal of developing a viable land plan to accomplish the development of the Nelles project without the RDA and related tax increment financing.

The Buyer has proposed an amendment to the PSA to address language inconsistencies due to the elimination of the RDA along with other revisions that would provide early Buyer access for site work as well as modify how the state benefits from additional residential unit density granted by the City to help offset the elimination of tax increment financing that would have been provided by the RDA. The major amendments are as follows:

- The Buyer will be permitted access for early demolition or grading only if the encumbering lease revenue bonds (2000 Series B) are defeased and a work plan is approved by the DGS.
- Adds approximately six months to the 1,200 days stated in the PSA which was the maximum escrow time period unless mutually agreed to be extended. The 1,200 days has been replaced with a specific date of March 27, 2015 which is consistent with the terms of the Tolling Agreement.
- The project will go through a specific plan/zoning entitlement process and EIR process with the City that will determine the ultimate density for the site. If the outcome of that process results in a density in excess of 650 units, then the State would receive a density bonus of \$20,000 per residential unit on the first 50 of the additional units, but has agreed to forgo the density bonus for the next additional 50 units. This was negotiated with the intent of helping the transaction remain viable after the elimination of the RDA.

#### Funding and Cost Verification

The costs associated with the sale of the state surplus property including administrative staff costs, consultant costs and costs related to the redemption of the bonds encumbering the property will be paid from the proceeds of the sale. No future costs have been identified with the approval of this sale.



Pursuant to Proposition 60a, (Article III, Section 9 of the California Constitution), the nets proceeds of the sale will be used towards the retirement of the Economic Recovery Bonds.

**Staff Recommendation:**      **Acknowledge the proposed amendment negotiated by the Department of General Services and Brookfield Homes related to the sale of the Fred C. Nelles Youth Correctional Facility (approximately 75 acres) and confirm the terms thereof do not alter the Board's Resolution dated June 10, 2011, in which approval of the sale conditioned on defeasance of a portion of the Board's outstanding 2000 Series B bonds.**

## **OTHER BUSINESS**

**There are no Other Business items.**

## **REPORTABLES**

**To be presented at the Board meeting.**